

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**SB 2570 - HB 2743**

January 31, 2012

**SUMMARY OF BILL:** Authorizes students who are Tennessee citizens and are dependents of parents in the military to receive HOPE scholarships as long as these students meet residency and academic requirements. Deletes the current requirement that military parents have a home of record in Tennessee in order for their child to be eligible for a HOPE scholarship.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures - \$364,000/FY12-13/Lottery for Education  
Account**

**\$728,000/FY13-14/Lottery for Education  
Account**

**Exceeds \$728,000/FY14-15 and Subsequent Fiscal Years/  
Lottery for Education Account**

**Assumptions:**

- The Tennessee Student Assistance Corporation (TSAC) estimates that 100 new students will receive lottery scholarships annually beginning in FY12-13 and subsequent fiscal years.
- Based on the percentages of HOPE scholarship recipients in 2010-2011, TSAC estimates that 82 percent (82 students) will receive a \$4,000 scholarship and attend a four-year public institution and that 18 percent (18 students) will receive a \$2,000 scholarship and attend a two-year public institution.
- The increase in state expenditures from the Lottery for Education Account in FY12-13 for students who receive a \$4,000 scholarship will be \$328,000 ( $\$4,000 \times 82$ ).
- The increase in state expenditures from the Lottery for Education Account in FY12-13 for students who receive a \$2,000 scholarship will be \$36,000 ( $\$2,000 \times 18$ ).
- The total increase in state expenditures from the Lottery for Education account in FY12-13 will be \$364,000 ( $\$328,000 + \$36,000$ ).

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- Each academic year, 100 new students will receive the award. The increase in state expenditures in FY13-14 will be \$728,000 (\$364,000 x 2).
- In FY14-15 and subsequent fiscal years, the increase in state expenditures from the Lottery for Education Account will exceed \$728,000 as new students enter the program.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read 'Lucian D. Geise', written in a cursive style.

Lucian D. Geise, Executive Director

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